



# 2Q19 EARNINGS

# REVIEW

AUG 2019

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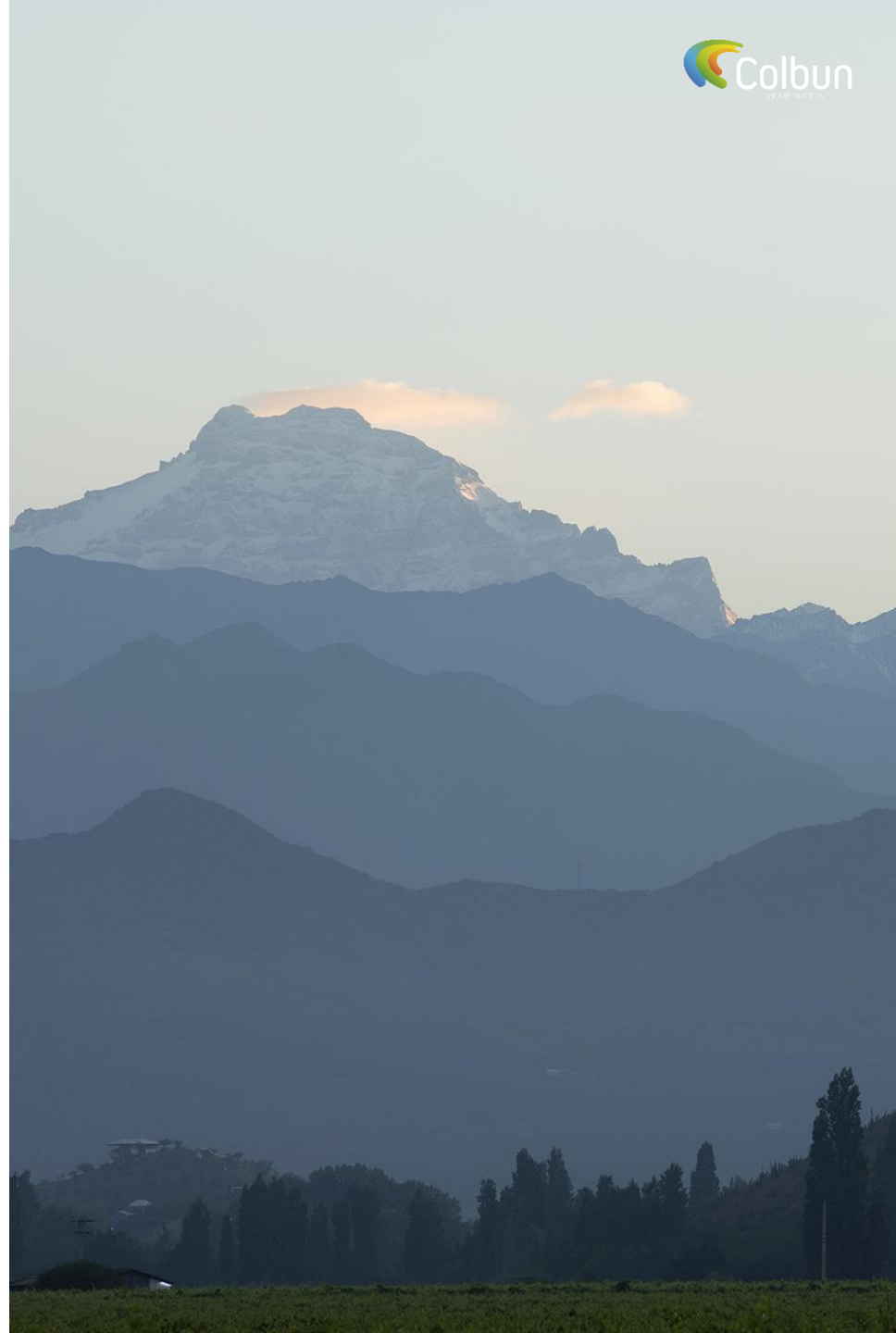
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COMPANY HIGHLIGHTS

FINANCIAL REVIEW

GROWTH OPPORTUNITIES



# Company Highlights

## 2Q19

### 1. DIVIDENDS

Final dividend paid (on May19):  
**US\$156 mm**  
 +  
 Provisory dividend paid on Dec18:  
**US\$84 mm**  
 =100% of the net distributable profit of 2018  
 +  
 An additional dividend of **US\$100 mm** was also paid

### 2. COMMERCIAL STRATEGY

**490 GWh/year** during 2019, with new unregulated costumers

### 3. GROWTH OPPORTUNITIES

**Horizonte project:**  
 -feasibility stage  
 -wind turbine auction conclude.

**Diego de Almagro Sur solar project:**  
 -environmental processing stage

**San Pedro Project:**  
 -environmental authority issued the first lcsara.

### 4. FIXED COST EFICCIENCIES PLAN

Colbún has **continued its execution**

### 5. FENIX'S FINANCIAL STATEMENTS



-Adoption of the accounting standards **IFRS15 and IFRS16**,


-Capitalization of the **plant major maintenance** in April 2019.



# Company Highlights

## 2Q19 main consolidated figures

US\$ **174**mm  
EBITDA

 Gx US\$133 mm / Tx US\$18 mm  
 US\$22 mm


**1.5x**  
Net Debt/  
EBITDA LTM 

**3,893**MW  
Inst. Capacity  
 3,328 MW /  565 MW


US\$ **61** mm  
Net Income 

**4.5%**  
Avg.  
Interest Rate<sup>1</sup> %

**26**  
Power Plants   
 25 /  1

US\$ **667**mm  
Cash 

**BBB S&P/Fitch**  
**Baa2 Moody's**  
Ratings 

Transmission Assets  
**941** km Tx Lines  
**28** Substations 

Note: All figures as of June19

<sup>1</sup> In US Dollars.

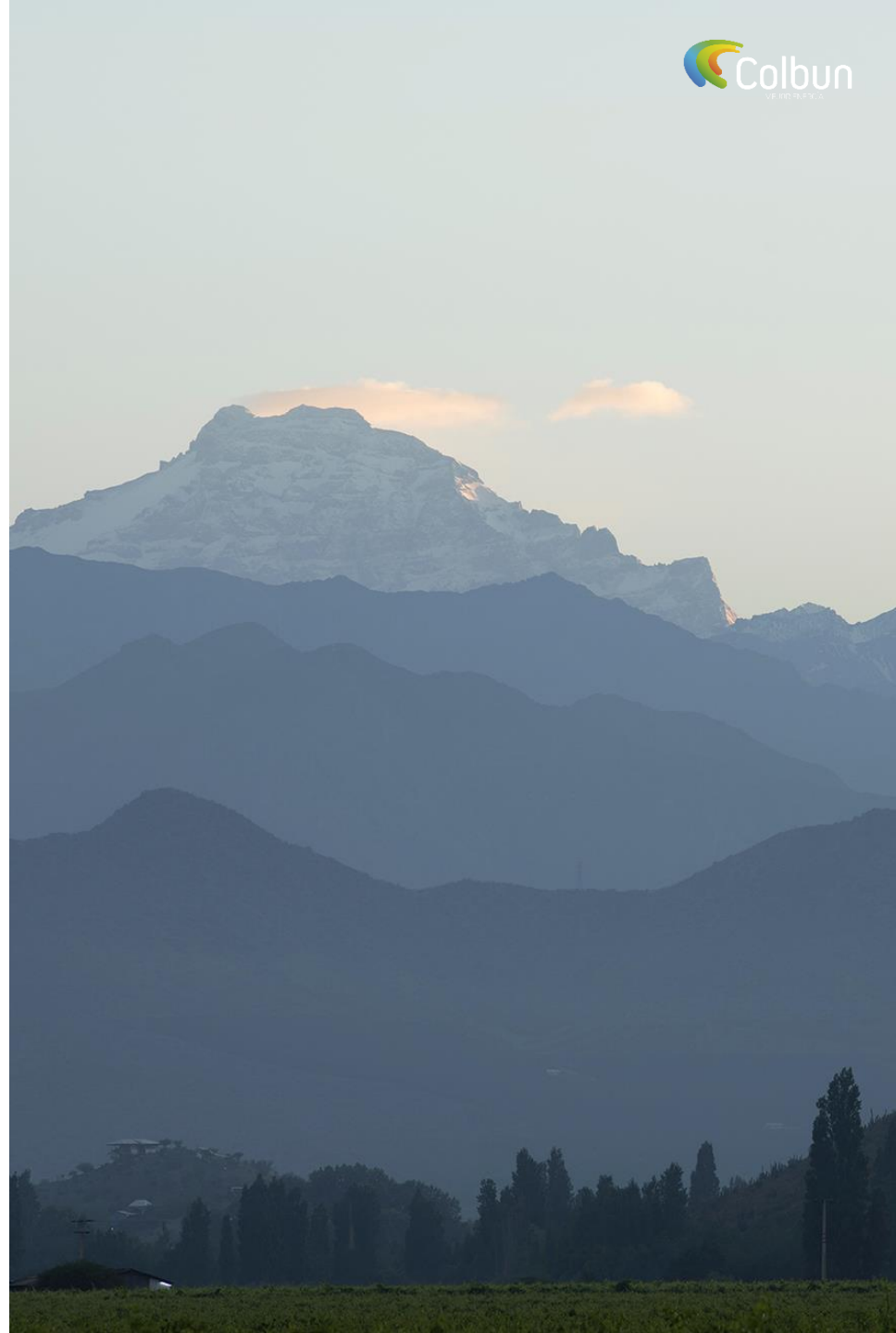
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## Financial review

# Gx Chile: Generation & physical sales balance

Generation (GWh)	2Q18	2Q19	QoQ
<b>Hydraulic</b>	<b>1,433</b>	<b>1,372</b>	<b>(4%)</b>
<b>Thermal</b>	<b>2,052</b>	<b>1,903</b>	<b>(7%)</b>
Gas	1,341	1,199	(11%)
Diesel	29	13	(55%)
Coal	682	691	1%
<b>VRE*</b>	<b>29</b>	<b>60</b>	<b>105%</b>
Wind Farm**	26	57	117%
Solar	3	3	--
<b>Total Generation</b>	<b>3,515</b>	<b>3,334</b>	<b>(5%)</b>

Sales Volume (GWh)	2Q18	2Q19	QoQ
Regulated Clients	1,377	1,114	(19%)
Unregulated Clients	1,531	1,598	4%
<b>Total Commitments</b>	<b>2,908</b>	<b>2,712</b>	<b>(7%)</b>
Sales to the Spot Market	517	572	11%
<b>Total Energy Sales</b>	<b>3,425</b>	<b>3,283</b>	<b>(4%)</b>

Spot Market (GWh)	2Q18	2Q19	QoQ
Sales	517	572	11%
Purchases	-	-	-
<b>Spot Market Balance</b>	<b>517</b>	<b>572</b>	<b>11%</b>

### MAIN VARIATIONS 2Q19 / 2Q18

- **Total generation** decreased, mainly due to:
  - Lower gas and hydro generation
  - Partially offset by coal and VRE generation
- **Physical sales** decreased, mainly due to lower sales to regulated customers
- **Spot market balance** registered net sales for 572 GWh
- **100%** of total commitments were supplied with **cost-efficient base load generation**

(\*): Variable renewable energy (VRE).

(\*\*): Corresponds to the energy purchased from Punta Palmeras wind farm owned by Acciona and San Pedro, owned by Alba S.A.

# Financial Review

## Gx Business: Operating Income analysis

US\$ million	2Q18	2Q19	QoQ
Revenues	331	328	(1%)
Raw Materials and Consumables Used	(184)	(172)	(6%)
Personnel and other operating expenses	(19)	(17)	(8%)
Depreciation and Amortization	(49)	(49)	(1%)
<b>Operating Income (Loss)</b>	<b>76</b>	<b>85</b>	<b>11%</b>
<b>EBITDA</b>	<b>125</b>	<b>133</b>	<b>7%</b>
EBITDA Margin (%)	38%	41%	-

### MAIN VARIATIONS 2Q19 / 2Q18

- **Revenues** in line with 2Q18:
  - Lower sales to regulated customers
- Partially offset by:
  - Higher average sales price to unregulated clients
  - Higher physical sales to unregulated clients and to the spot market
  - Increase in Other Operating Income
- **Raw Materials and Consumables Used decreased**, mainly explained by:
  - Lower gas generation
- **EBITDA totalized US\$133 million**, higher by 7% compared to 2Q18



# Financial Review

## Tx Business in Chile: Operating Income analysis

US\$ million	2Q18	2Q19	QoQ
Revenues	19	21	9%
Raw Materials and Consumables Used	(2)	(3)	(4%)
Personnel and other operating expenses	(0)	(0)	0%
Depreciation and Amortization	(4)	(4)	4%
<b>Operating Income (Loss)</b>	<b>13</b>	<b>15</b>	<b>10%</b>
<b>EBITDA</b>	<b>17</b>	<b>18</b>	<b>9%</b>
EBITDA Margin (%)	87%	87%	-

### MAIN VARIATIONS 2Q19 / 2Q18

- **Revenues** for 2Q19 amounted to US\$21 million, 9% higher compared to 2Q18 mainly explained by an increase in the revenues from zonal transmission assets due to the release of the 6T decree in October 2018, which modified the pricing of those assets
- **EBITDA** totalized **US\$18 million**, higher by 9% compared to 2018

# Financial Review

## Gx Peru: generation & physical sales

Generation (GWh)	2Q18	2Q19	QoQ
Thermal - Gas	1,002	937	(6%)
<b>Total Own Generation</b>	<b>1,002</b>	<b>937</b>	<b>(6%)</b>

Sales Volume (GWh)	2Q18	2Q19	QoQ
Customers Under Contract	805	706	(12%)
Spot Market Sales	174	277	59%
<b>Total Energy Sales</b>	<b>979</b>	<b>983</b>	<b>0%</b>

Spot Market (GWh)	2Q18	2Q19	QoQ
Sales	174	277	59%
Purchases	-	68	-
<b>Spot Market Balance</b>	<b>174</b>	<b>209</b>	<b>20%</b>

### MAIN VARIATIONS 2Q19 / 2Q18

- **Total generation** decreased, mainly due to:
  - Lower plant availability due to the major maintenance carried out during the month of April 2019.
- **Physical sales** increased, mainly explained by higher sales to the spot market
- **Spot market balance** registered net sales for 277 GWh, compared to net sales of 174 GWh during 2Q18, due to the difference in maintenance dates

# Financial Review

## Peru: Operating Income analysis

US\$ million	2Q18	2Q19	QoQ
Revenues	41	41	0%
Raw Materials and Consumables Used	(27)	(17)	(37%)
Personnel and other operating expenses	(2)	(2)	6%
Depreciation and Amortization	(8)	(114)	66%
<b>Operating Income (Loss)</b>	<b>2</b>	<b>4</b>	<b>134%</b>
<b>EBITDA</b>	<b>12</b>	<b>22</b>	<b>80%</b>
EBITDA Margin (%)	30%	54%	-

### MAIN VARIATIONS 2Q19 / 2Q18

- **Revenues** reached US\$41 million, in line with 2Q18
- **Raw Materials and Consumables Used decreased**, mainly explained due to:
  - the recognition of gas distribution contract with Calidda as a financial lease from January 2019 onwards
  - Major maintenance performed during in April 2019
- **EBITDA totaled US\$22 million**, higher by 80% compared to 2Q18.

# Financial Review

## Consolidated: Non-Operating Income analysis

US\$ million	2Q18	2Q19	QoQ
Financial Income	5	5	9%
Financial Expenses	(21)	(25)	18%
Exchange Rate Differences	(7)	1	-
Profit (Loss) of Companies Accounted for Using the Equity Method	2	3	22%
Other Profits (Losses)	(10)	(11)	11%
<b>Non-Operating Income</b>	<b>(31)</b>	<b>(27)</b>	<b>(12%)</b>
<b>Profit (Loss) Before Taxes</b>	<b>64</b>	<b>80</b>	<b>25%</b>
Income Tax Expense	(19)	(19)	(2%)
<b>Net Income</b>	<b>47</b>	<b>61</b>	<b>32%</b>

### MAIN VARIATIONS 2Q19 / 2Q18

- **Non-operating income** recorded lower losses, mainly explained by:
  - Positive effect of the variation of the CLP/US\$ exchange rate on temporary items of the balance sheet in local currency
- Partially compensated by:
  - higher financial expenses due to the recognition of the gas distribution contract with Calidda as a financial leasing

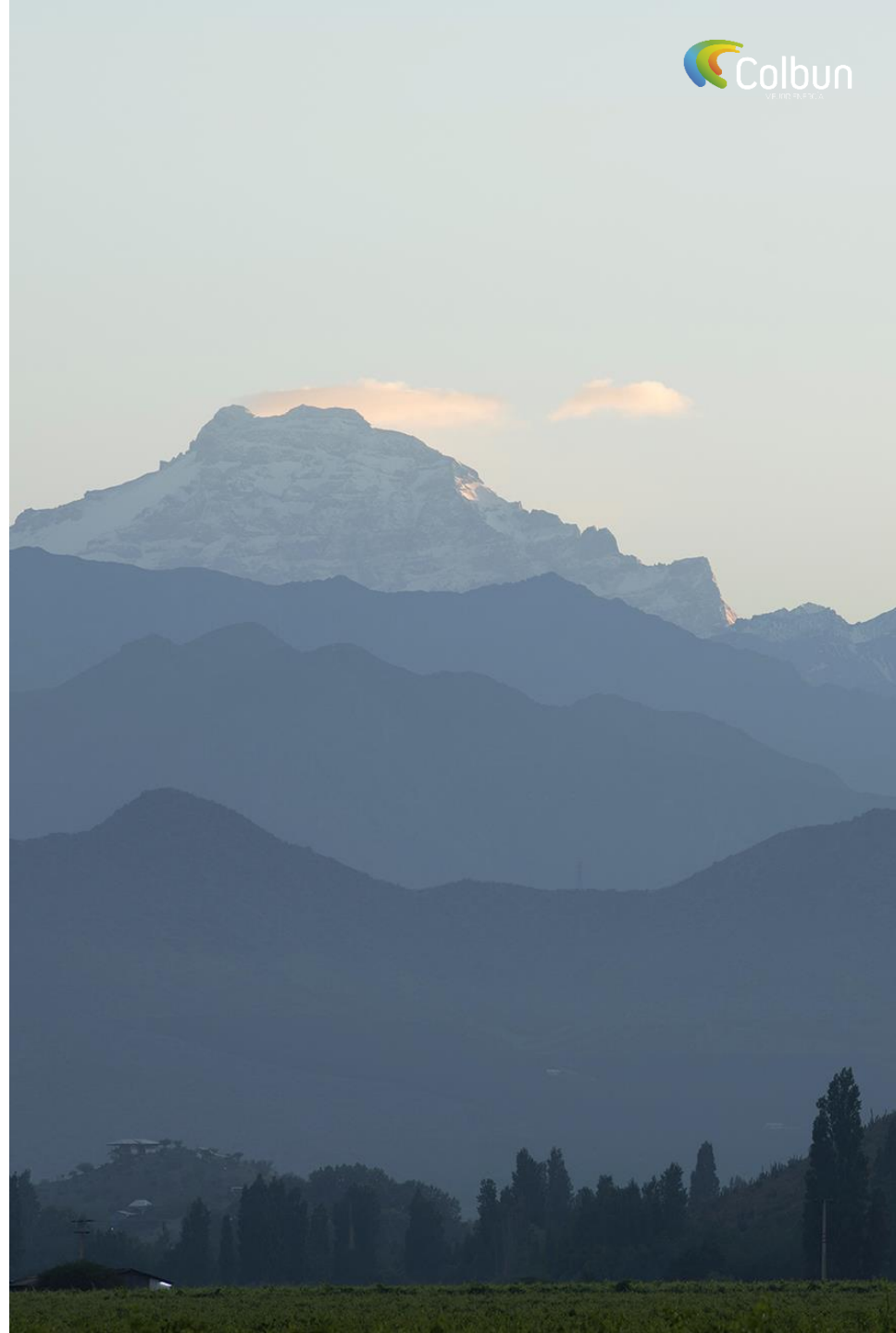
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# Attractive portfolio of growth options

## Expansion considerations

### LOCAL EXPANSION

#### Generation Business

1. Pipeline of Renewable Projects
  - a. Horizonte wind farm (607 MW)
  - b. Diego de Almagro Sur I and II photovoltaic projects (200 MW)
  - c. Sol de Tarapacá photovoltaic project (180 MW)
  - d. Other 4 wind and solar projects in early stages of development (~800 MW)
2. M&A Opportunities
3. Purchase energy from third parties



#### Transmission Business

1. Expansion and enhancement of the Company's current transmission assets
2. Total investment value: ~US\$50 million



### INTERNATIONAL EXPANSION

1. Preference for assets in operation (brownfields)
2. Incorporate partners with local knowledge but maintain control
3. Investment amounts subject on maintain investment grade international ratings





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CENTRAL LA MINA

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ML ENERGÍA